

**POLSON CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
MONDAY, JANUARY 7, 2008, 6:00 P.M.**

ATTENDANCE: Council Present: Bruce Agrella, Jim Sohm, Tom Jones, Mike Lies, Elsa Duford, Fred Funke. Mayor Lou Marchello presiding. City Attorney James Raymond and City Manager Jay Henry present.

PUBLIC HEARINGS CALL TO ORDER- Mayor Lou Marchello called the public hearing to order.

PUBLIC HEARING – POLSON DEVELOPMENT CODE AMENDMENT – MAKING (8) EIGHT THE MAXIMUM AMOUNT OF DWELLING UNITS PER ACRE IN RESORT ZONING: City Manager Jay Henry read the proposed Ordinance #633 which is an interim ordinance to clarify chapter IX, paragraph C of the Polson Development Code. This is an urgency measure allowing a maximum density of eight dwelling units per acre in resort zoning. Mayor Marchello asked for comments. Steve Dardy introduced himself as a developer out of Missoula. He stated that he has an interest in a project in Polson, which is in the pipeline and would not be affected by this change. He asked that this issue be tabled for further research. He stated that the correct statute was not used and suggested that another notice be issued. He expressed concern that approval of this change would repeal other parts of the Polson Development Code and therefore would result in not just a clarification as requested by City Planning and Zoning Official Joyce Weaver, and result in affecting other parts of the PDC.

Mayor Marchello asked for further comments. No further comments were made. The public hearing was adjourned at 6:12 p.m.

PUBLIC HEARING – CREATION OF SPECIAL IMPROVEMENT DISTRICT #42 TO IMPROVE AND PAVE CERTAIN PORTIONS OF MAIN STREET INCLUDING CURB GUTTER AND SIDEWALK AND TO INSTALL INFRASTRUCTURE WITHIN THE CORPORATE LIMITS OF THE CITY OF POLSON: Mayor Marchello asked that owners make their comments first and keep them to two minutes per person to allow everyone a chance to speak. Gerry Browning, Terrace Flowers, stated that she wrote a letter in favor of the SID. Concerns were expressed about the disruption during construction. She explained that the Main Street project is historical and has been accomplished in many cities across the USA. They have addressed access issues during construction, which include radio and printed ads and a banner across the highway, which states that the stores on Main Street are open for business. Alternative parking will be provided and alleys could be used for access instead of Main Street. They will provide parking elsewhere for employees. No one wants to lose business, so they will find solutions to problems that arise. Mike Rosatti, 203 Main Street, owner of the Radio Shack building, spoke in favor of the SID to improve the downtown and feels the businesses should accept the sacrifice they need to make to create a nice downtown that they can have pride in, which is the heart and soul of the community. They need to improve Main Street to compete with the big box stores. It will be good for everyone and will increase property values. Karen McMullen, owner of 75 feet of frontage on Main Street, expressed her support for the SID. A lot of people put a lot of work into this project and had good thoughts for improvements. These improvements would define Polson's identity, improve its economy and affect the community psychologically by giving Main Street a safe and supported Main Street. The project doesn't just provide beautification and increase the value of the properties but gives the community the feeling that Main Street is the heart

of Polson and it is clean, clear and in good shape. **James Clayton Hart**, homeowner on Main Street, spoke against the SID, stating that it isn't fair because he can't recover the cost by charging rent like others can. **Donald Corkum**, Trustee and Chairman of the Mission Valley Elks Club, a non-profit organization and the American Legion, said they have 150 feet of frontage on Main Street. As a non-profit organization they don't have the ability to contribute to the SID without some hardship. He asked why some non-profit organizations in the district were excluded and they were included. **Becky Dupuis**, representing the Pickerill Family, LLC, owners of 100 feet of frontage, are not opposed to the project but opposed to how the repayment of the improvement is being proposed. Main Street is a vital part of downtown and improving it will increase residential and other property values in Polson. She is probably the only streetscape taskforce member who is opposed to the SID because she feels that Main Street is used by everyone not just the business patrons, and it has very heavy traffic. Although she was on the committee the project information was limited and property owners do not know the potential cost and if they can afford it. The grants and donations mentioned are not clear and if not awarded the cost would be much higher. The catalyst is to replace the water line and the assumption is that the City will do a bad job to repair the paved road. It was determined that Main Street is a secondary highway and in that case MDOT should be contacted. They don't feel it is fair for the property owners on Main Street to bear the full cost of the proposed improvements and suggested the project could be pared down. **Marilyn Burt**, owner of Page by Page books, said she agrees with the points of objection mentioned by others. Cars travel at a high speed on Main Street and traffic is a large issue. She suggested that traffic lights or stop signs be installed on Main Street to control the flow of traffic and move the vehicles at a slower pace, which would be especially helpful during downtown events. She has empathy for the owners of residential homes on Main Street because they can't raise rent to get additional revenue. **Rocky Whisman**, owner of Harbor Light and Flooring, expressed his concern that there is no dollar amount for maximum overrun identified. There is no plan to provide funds or incentive for property owners to refurbish their storefronts and address things like old tires that are currently displayed on Main Street. There are 267 feet of exempt non-profit front footage in the SID district being proposed which could be sold and be operated as for profit. If the properties are sold they should pay their share of the SID which would reduce the individual cost.. These properties include the City of Polson, Lake County, State of Montana, VFW and American Legion and these property values will be increased by the improvements. Main Street is used by the whole community including frequent use by the hospital located at the end of Main Street, and the cost of improvements should be shared. **Tally Duford**, owner of Flagship Clothing Store has 50 feet of frontage. She can't understand why only Main Street property owners have to pay for the improvements. She feels all the City residents should pay a share of the improvements. She expressed concern that the timeframe for the construction was not discussed and the cost could possibly be 50% more than estimated and there are too many unknowns. She mentioned that other projects like Division Street and Hillcrest Drive were paid by the city and wonders why Main Street is being paved through an SID. She wondered what effect it would have that Main Street is a secondary highway and owned by MDOT. She has a lot of concerns about the project, like when, where and how much it will cost. Traffic flow during construction is a large issue and the suggestion of using the alley is not feasible. She currently can't use the alley because of the number of delivery trucks in the way. **David DeVore**, owner of 5th and Main Street, has 70' frontage but the lot is only 50' wide, not a full lot and he has to pay for three parcels which he doesn't feel is fair. The appraisal size of property should be used to determine the owner's share of the SID. The non-profit properties that are exempt from the SID could sell their property removing it from a non-profit status and they should have to pay their share. That would reduce the share of cost for each property in the district. He asked that these issues be addressed to try and reduce the cost. He stated that he is not against the proposed improvements, which would not only benefit the downtown

businesses but the whole community. **Shawn Roland**, owner of Rising Wolf Trading Post building, said he is all for these improvements. Although having spent a lot of time improving Fulkerson Lane through Lake County he finds this process very different. The property owners were able to meet as a group with the Lake County Commissioners and ask questions. He doesn't feel the property owners had an opportunity to get answers to their questions, like why the City is paying a certain amount. He feels that approval of the project is premature without more detailed information. He felt that everyone wants their businesses to look nice, but the owners did not get to comment and have opportunity for open discussion and there are questions left unanswered. He offered his help to accomplish the steps to prepare the details for the project. **Mike Rosatti**, noted that the hospital uses Main Street frequently. **Marilyn Bert**, stated that she gets compliments that Polson is a pretty town with the flower baskets and how the public appreciates and is observant of the business owner's efforts to beautify the town. Every improvement adds to the town's overall appearance. **Gerry Browning**, said she is in favor of the project and after forty years of hearing about renovating downtown Polson and this is the closest they have come to making it a reality. Although it will be a big financial burden on the property owners, it will never happen unless they agree to the SID being proposed. They are hoping for grants and other funds might become available but they need to start and move forward. If they don't agree to the SID, Main Street will be torn up anyway to replace the old water line and their business will be disrupted. This is an opportunity to make other improvements if they proceed with the SID.

Public hearing adjourned at 7:00 p.m.

COUNCIL MEETING CALL TO ORDER: Mayor Marchello called the City Council Meeting to order. He noted that the newly elected officials, Council members Elsa Duford, Tom Jones, Jim Sohm and he, had taken their oath of office prior to this meeting, and are duly sworn. He also noted that the next City Council Meeting will be held on Wednesday, January 23, due to the observance of Martin Luther King Day on Monday, January 21, which is a statutory holiday.

APPROVAL OF PROPOSED AGENDA: Motion made by Councilman Lies, seconded by Councilman Funke, to approve the agenda as proposed. Motion carried unanimously.

CONSENT AGENDA:

A.CITY COUNCIL MEETING MINUTES OF DECEMBER 17, 2007, B.DECEMBER 2007 CLAIMS Motion made by Councilman Jones, seconded by Councilman Agrella, to approve the Consent Agenda, item A. City Council Meeting Minutes of December 17, 2007 and B. December 2007 Claims as presented. Councilwoman Duford stated that it states in the minutes that she would get an answer about the TD&H 15th Avenue East improvement cost and she did not receive an answer. City Manager Jay Henry replied that he sent her and all the Council a memo with the information he thought she had requested and will gladly provide additional information upon request. Councilman Lies noted that there were some grammatical errors that need to be corrected in the December 17th 2007 City Council Meeting Minutes, and he will provide to the clerk with the corrections. **Motion carried unanimously.**

OLD BUSINESS

RESOLUTION #957 – CREATION OF SID#42 – IMPROVE AND PAVE CERTAIN PORTIONS OF MAIN STREET INCLUDING CURB GUTTER AND SIDEWALK AND TO INSTALL INFRASTRUCTURE WITHIN THE CORPORATE LIMITS OF POLSON AS DETAILED IN RESOLUTION #955 – THE INTENT TO CREATE SID #42: Councilwoman

Duford stated that judging by the number of comments made tonight and the written responses received, the public is not in favor of the SID as proposed. **Mayor Marchello** removed himself from discussion and will abstain from voting on this issue because he owns property in the proposed SID district. **Councilman Sohm** stated that he attended a Streetscape Committee meeting and understood that all the owners were contacted and were in support of the SID. It appears by the letters and comments that there is quite a number not in favor of moving forward when there are so many questions unanswered. **Councilman Lies** stated that Montana Codes states that it is up to the individuals in a district to bring forward a petition for a special improvement district and it appears that it was brought forth by a minority. It requires 51% of the owners to be in favor of the proposal before the SID can be created. **Councilwoman Duford** said there should be signed petitions from the owners before passing a resolution. She didn't see and is not aware of any petition signed by owners on Main Street to get it started. **Councilman Agrella** stated that it appears that a group of individuals moved ahead with creating the special improvement district and are out of sync with the rest of the owners. They need to get a signed petition to pursue it. **Mayor Marchello** stated that the project is important for the beautification of Polson and asked if Council had any suggestions about this project that they would consider. **Motion made by Councilman Agrella to table the creation of SID and send it back to the Streetscape Committee before it comes back to Council for approval. Seconded by Councilman Lies. Motion carried unanimously.** **Mayor Marchello** felt the Streetscape Committee had worked hard and accomplished a lot. He welcomed Shawn Roland and others to attend the meetings and participate in the process to move forward with the project. **City Attorney James Raymond** asked if the Council's intent is to form a committee of itself. **Mayor Marchello** clarified that the Streetscape Committee members and the downtown businesses would be responsible to come back to council with a proposal that would deal with the concerns and issues brought up by those in opposition.

ORDINANCE #633 – SECOND READING – INTERIM ORDINANCE TO CLARIFY CHAPTER IX PARAGRAPH C OF THE POLSON DEVELOPMENT CODE TO MAKE THE MAXIMUM DENSITY REQUIREMENT OF EIGHT (8) DWELLING UNITS PER ACRE: **Councilwoman Duford** stated that she is not familiar with the requirements in the Polson Development Code and asked if City Attorney James Raymond has information about this agenda item. **Mayor Marchello** stated that the whole Polson Development Code document needs to be reworked and he was not aware about the comments made by Steve Dardy earlier at the public hearing. **City Manager Jay Henry** clarified that this is a band-aid measure to get rid of the word "may" in that section of the PDC. It is a temporary interim fix until a permanent ordinance is prepared, approved and becomes effective. **City Attorney James Raymond** explained that Ordinance #633 is a band-aid interim measure and complies with a specific MCA code, and is effective for a six month period. **Motion made by Councilman Jones, seconded by Councilman Agrella, to approve the second reading of Ordinance #633, an interim ordinance to clarify Chapter IX paragraph C of the Polson Development Code to make the maximum density requirement of eight (8) dwelling units per acre.** Steve Dardy questioned if the correct statute was used to notice the change in zoning and asked that the City redo the advertisement and public hearing correctly. **Mayor Marchello, Councilmen Funke and Jones voted in favor. Councilwoman Duford, Councilmen Lies, Agrella and Sohm voted against the motion. Motion failed.** Council asked that another public hearing be scheduled.

NEW BUSINESS

REPLACEMENT OF MARK MACDONALD ON THE IMPACT FEE REVIEW BOARD: **Motion made by Councilman Lies, seconded by Councilman Sohm, to appoint Councilman**

Bruce Agrella to the Impact Fee Review Board to replace Councilman MacDonald. Motion carried unanimously.

CITY MANAGER COMMENTS: City Manager Jay Henry noted that the new councilmen received a copy of the Polson Development Code and offered to have a copy made for any of the other councilmen.

City Manager Jay Henry informed Council that Allyson Meslyn, a member of the Rural Fire Board, requested a meeting with two city council members to discuss the Rural Fire Inter-local Agreement, on January 30, at 2:00 p.m. Councilmen Lies and Agrella agreed to attend that meeting.

City Manager Jay Henry said he had a discussion with Councilman Jones who asked to research the possibility of implementing a resort tax for the City of Polson after conducting a citizens' survey. The notice could be sent with the water bills to hold a workshop before taking formal action. Councilman Jones stated that Whitefish is an example of a community that collects resort tax and it has been an incredible help for their community. Mayor Marchello agreed with looking into implementing the resort tax for Polson. He stated that Red Lodge also has resort tax and they should talk to the managers of other cities. During Mayor Clavadetscher's term, he met with the Whitefish City Manager to discuss their experience with resort tax. Councilman Lies noted that in recent years the City of West Yellowstone has made significant changes to their downtown using resort tax revenue.. Mayor Marchello suggested that they go ahead with the survey. City Manager Jay Henry stated that he would provide an agenda item for council to take formal action at the next meeting on ways to survey the City residents. It was clarified that in other cities the resort tax applies to all but food items. The issue of Polson being on the reservation was brought up with regard to the resort tax and that there might be other details would need to be clarified.

PUBLIC COMMENTS: Ken Avison expressed his appreciation to the out going elected officials for their service to the community and offered his support and best wishes to the new council and mayor. Lee Manicke clarified that Montana law allows any one person to create an SID and no petition is required, and that it fails if 51% of the property owners protest the creation. He believes the process worked well and there were some good comments in the letters that were sent. Even the opposition favors some type of improvement. The Council followed the process to create an SID as required by Montana statutes. The process brought people together and the overwhelming number thought it was a good idea to have the improvements done. He asked that two of the council members be involved in future meetings. The committee did a good job and the discussions were civil, and he thought the process worked quite well. Rory Horning stated that there are other vehicles to getting funding for downtown improvements. One is through the Polson Redevelopment Agency whose mandate was to implement the tax increment financing.

Meeting adjourned at 7:30 p.m.

Lou Marchello, Mayor

ATTEST: _____
Aggi G. Loeser, City Clerk